



House of Representatives

General Assembly

File No. 523

January Session, 2007

Substitute House Bill No. 7000

House of Representatives, April 17, 2007

The Committee on Government Administration and Elections reported through REP. CARUSO of the 126th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MUNICIPAL ETHICS AND MUNICIPAL LOBBYING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) As used in sections 1 to 7,
2 inclusive, of this act:

3 (1) "Business" means any entity through which business for profit or
4 not-for-profit is conducted, including a corporation, partnership,
5 proprietorship, firm, enterprise, franchise, association, organization or
6 self-employed individual.

7 (2) "Business with which he or she is associated" means a business of
8 which a public official or public employee or a member of his or her
9 immediate family is a director, officer, owner, employee, compensated
10 agent or holder of stock which constitutes five per cent or more of the
11 total outstanding stock of any class.

12 (3) "Confidential information" means information, whether

13 transmitted orally or in writing, which is obtained by reason of the
14 public position or office held and is of such nature that it is not, at the
15 time of transmission, a matter of public record or public knowledge.

16 (4) "Financial interest" means any interest with a monetary value of
17 one hundred dollars or more or which generates a financial gain or
18 loss of one hundred dollars or more in a calendar year.

19 (5) "Gift" means anything of value, including entertainment, food,
20 beverage, travel and lodging given or paid to a public official or public
21 employee to the extent that consideration of equal or greater value is
22 not received. A gift does not include:

23 (A) A political contribution otherwise reported as required by law
24 or a donation or payment as described in subdivision (9) or (11) of
25 subsection (b) of section 9-601a of the general statutes;

26 (B) Services provided by persons volunteering their time for a
27 political campaign;

28 (C) A commercially reasonable loan made on terms not more
29 favorable than loans made in the ordinary course of business;

30 (D) A gift received from (i) an individual's spouse, fiance or fiancée,
31 (ii) the parent, brother or sister of such spouse or such individual, or
32 (iii) the child of such individual or the spouse of such child;

33 (E) Goods or services which are provided to the municipality or
34 district and facilitate governmental action or functions;

35 (F) A certificate, plaque or other ceremonial award costing less than
36 one hundred dollars;

37 (G) A rebate or discount on the price of anything of value given in
38 the ordinary course of business without regard to the recipient's status;

39 (H) Printed or recorded informational material germane to
40 governmental action or functions;

41 (I) Items of nominal value, not to exceed ten dollars, containing or
42 displaying promotional material;

43 (J) An honorary degree bestowed upon a public official or public
44 employee by a public or private university or college;

45 (K) A meal provided at an event or the registration or entrance fee
46 to attend such an event, in which the public employee or public official
47 participates in said person's official capacity;

48 (L) A meal provided in the home by an individual who resides in
49 the municipality or district; or

50 (M) Gifts in-kind of nominal value not to exceed twenty-five dollars
51 tendered on gift-giving occasions generally recognized by the public
52 including Christmas, Hanukkah, birthdays, the birth or adoption of a
53 child, weddings, confirmations or bar or bat mitzvahs, provided the
54 total value of such gifts in any calendar year do not exceed fifty
55 dollars.

56 (6) "Immediate family" means any spouse, child or dependent
57 relative who resides in the individual's household.

58 (7) "Individual" means a natural person.

59 (8) "Municipality" means any town, city, borough or district.

60 (9) "Official responsibility" means the direct administrative or
61 operating authority, whether intermediate or final and whether
62 exercisable personally or through subordinates, to approve,
63 disapprove or otherwise direct government action.

64 (10) "Person" means an individual, sole proprietorship, trust,
65 corporation, union, association, firm, partnership, committee, club or
66 other organization or group of persons.

67 (11) "Personal interest" means an interest in any action taken by the
68 municipality or district in which an individual will derive a
69 nonfinancial benefit or detriment but which will result in the

70 expenditure of municipal funds.

71 (12) "Public employee" means a person employed, whether full or
72 part time, by a municipality.

73 (13) "Public official" means an elected or appointed official, whether
74 paid or unpaid or full or part time, of a municipality or political
75 subdivision thereof, including candidates for the office and shall also
76 include a district officer elected pursuant to section 7-327 of the general
77 statutes.

78 (14) "District" means a district established pursuant to section 7-324
79 of the general statutes.

80 (15) "Paid consultant" means a person, firm or corporation hired by
81 a municipality to provide services to the municipality for a fee.

82 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding the
83 provisions of any special act, home rule ordinance, municipal charter
84 or ordinance, not later than January 1, 2008, each municipality shall
85 adopt a code of ethical conduct for its public officials, public
86 employees and paid consultants. Each such code of ethical conduct
87 shall include the provisions set forth in sections 3 to 5, inclusive, of this
88 act or stricter ethical provisions for such public officials, public
89 employees and paid consultants.

90 (b) Any municipality that adopted a code of ethical conduct before
91 July 1, 2007, shall not be required to adopt a new code of ethical
92 conduct under subsection (a) of this section. However, if any such
93 existing code of ethical conduct does not include the provisions set
94 forth in sections 3 to 5, inclusive, of this act or stricter ethical
95 provisions for the municipality's public official, public employees and
96 paid consultants, the municipality shall, not later than January 1, 2008,
97 amend its code of ethical conduct to include the provisions set forth in
98 said sections 3 to 5, inclusive, or stricter ethical provisions for such
99 persons.

100 Sec. 3. (NEW) (*Effective July 1, 2007*) Each code of ethical conduct

101 adopted by a municipality under subsection (a) of section 2 of this act
102 shall include the following or stricter provisions for the municipality's
103 public officials and public employees:

104 (1) No public employee or public official shall engage in or
105 participate in any business or transaction, including outside
106 employment with a private business, or have an interest, direct or
107 indirect, that is incompatible with the proper discharge of the
108 employee's or official's responsibilities in the public interest or that
109 would tend to impair the employee's or official's independent
110 judgment or action in the performance of the employee's or official's
111 responsibilities.

112 (2) (A) No public employee or public official shall solicit or accept
113 any gift from any person that, to the employee's or official's
114 knowledge, is interested in any pending matter within such
115 individual's official responsibility.

116 (B) If a prohibited gift is offered, the employee or official shall refuse
117 it, return it, pay the donor the full value of the gift or donate it to a
118 nonprofit organization, provided the employee or official does not take
119 the corresponding tax deduction or credit. Alternatively, the gift may
120 be deemed to be a gift to the municipality, provided it remains in the
121 municipality's possession permanently.

122 (3) (A) A public employee or public official shall refrain from voting
123 upon or otherwise participating in any matter on behalf of the
124 municipality if the employee or official, a business with which he or
125 she is associated, or a member of his or her immediate family, has a
126 financial or personal interest in the matter, including, but not limited
127 to, the sale of real estate, material, supplies or services to the
128 municipality.

129 (B) If such participation is within the scope of the public employee's
130 or public official's official responsibility, the employee or official shall
131 provide written disclosure, which sets forth in detail the nature and
132 extent of such interest.

133 (C) Notwithstanding the prohibition in subparagraph (A) of this
134 subdivision, a public employee or public official may vote or otherwise
135 participate in a matter that involves a determination of general policy
136 if the employee's or official's interest in the matter is shared with a
137 substantial segment of the population of the municipality.

138 (4) In addition to the restrictions in subdivision (3) of this section, a
139 public employee who serves on any governmental body of a
140 municipality shall not vote or participate on any matter involving, for
141 the department or program employing such public employee, (A)
142 collective bargaining, (B) compensation or benefits, (C) personnel
143 policies and procedures, (D) the budget, other appropriation or capital
144 funding, or (E) employment, compensation, benefits or performance of
145 personnel, unless such public employee is permitted to vote or
146 participate pursuant to the provisions of a municipal charter or home
147 rule ordinance.

148 (5) (A) Except for a public official who receives no compensation for
149 service to the municipality other than per diem payments and
150 reimbursement of expenses, no public employee or public official shall
151 appear on behalf of private interests before any board, agency or
152 committee of the municipality.

153 (B) Except for a public official who receives no compensation for
154 service to the municipality other than per diem payments and
155 reimbursement of expenses, no public employee or public official shall
156 represent private interests against the interest of the municipality in
157 any litigation to which the municipality is a party.

158 (6) Nothing in this section shall prohibit or restrict a public
159 employee or public official from appearing before any board or
160 commission of the municipality on the employee's or official's own
161 behalf, or from being a party in any action, proceeding or litigation
162 brought by or against the public employee or public official to which
163 the municipality is a party.

164 (7) No public employee or public official shall disclose confidential

165 information concerning municipal affairs, nor shall a public employee
166 or public official use such information for the financial interests of the
167 employee or official or others.

168 (8) No public employee or public official shall request or permit the
169 use of municipally-owned vehicles, equipment, facilities, materials or
170 property for personal convenience or profit, except when such are
171 available to the public generally or are provided as municipal policy
172 for the use of such public employee or public official in the conduct of
173 official business.

174 (9) No public employee or public official, or a business with which
175 he or she is associated, or a member of his or her immediate family
176 shall enter into a contract with the municipality unless the contract is
177 awarded through a process of public notice and competitive bidding.

178 (10) No public employee or public official may use the employee's
179 or official's position or office for the financial benefit of the employee
180 or official, a business with which he or she is associated or a member
181 of his or her immediate family.

182 (11) No public employee or public official shall accept a fee or
183 honorarium for an article, appearance or speech, or for participation at
184 an event, in the employee's or official's official capacity.

185 (12) No public employee or public official, or member of such
186 individual's immediate family or business with which he or she is
187 associated, shall solicit or accept anything of value, including, but not
188 limited to, a gift, loan, political contribution, reward or promise of
189 future employment based on any understanding that the vote, official
190 action or judgment of the public employee or public official would be
191 or had been influenced thereby.

192 (13) No public employee, public official or candidate for elected
193 office of a municipality shall engage in political activity while on
194 municipal duty or within any period of time during which such person
195 is expected to perform services for which such person receives

196 compensation from the municipality, or utilize municipal funds,
197 supplies, vehicles or facilities for the purpose of any such political
198 activity.

199 Sec. 4. (NEW) (*Effective July 1, 2007*) Each code of ethical conduct
200 adopted by a municipality under subsection (a) of section 2 of this act
201 shall include the following or stricter provisions for the municipality's
202 paid consultants:

203 (1) No paid consultant of a municipality shall represent a private
204 interest in any action or proceeding against the interest of the
205 municipality that is in conflict with the performance of said person's
206 duties as a consultant.

207 (2) No paid consultant may represent anyone other than the
208 municipality concerning any matter in which the consultant
209 participated personally and substantially as a consultant to the
210 municipality.

211 (3) No paid consultant shall disclose confidential information
212 learned while performing the consultant's duties for the municipality
213 nor shall the consultant use such information for the financial interests
214 of the consultant or others.

215 Sec. 5. (NEW) (*Effective July 1, 2007*) Each code of ethical conduct
216 adopted by a municipality under subsection (a) of section 2 of this act
217 shall include the following or stricter provisions for the municipality's
218 former public officials and public employees:

219 (1) No former public employee or public official shall appear for
220 compensation before any municipal board or agency in which the
221 employee or official was formerly employed at any time within a
222 period of one year after termination of the employee's or official's
223 service with the municipality.

224 (2) No former public employee or public official shall represent
225 anyone other than the municipality concerning any particular matter
226 in which the employee or official participated personally and

227 substantially while in municipal service.

228 (3) No former public employee or public official shall disclose or use
229 confidential information acquired in the course of and by reason of the
230 employee's or official's official duties, for financial gain for himself or
231 herself or others.

232 (4) No former public employee or public official who participated
233 substantially in the negotiation or award of a municipal contract
234 obliging the municipality to pay an amount of one hundred thousand
235 dollars or more, or who supervised the negotiation or award of such a
236 contract shall accept employment with a party to the contract other
237 than the municipality for a period of one year after such contract is
238 signed.

239 Sec. 6. (NEW) (*Effective July 1, 2007*) (a) On and after December 1,
240 2008, the Office of State Ethics shall be responsible for the investigation
241 and review of any complaint alleging unethical conduct, corrupting
242 influence or illegal activities against any public official, public
243 employee or paid consultant of a municipality that fails to establish an
244 agency to investigate and review such allegations, pursuant to section
245 7-148h of the general statutes, as amended by this act, by December 1,
246 2008. Any such investigation and review by the Office of State Ethics
247 shall be conducted in accordance with the provisions of section 1-82 of
248 the general statutes, provided the Office of State Ethics may refuse to
249 investigate and review any matter that fails to adequately allege a
250 violation of the provisions of section 3, 4 or 5 of this act.

251 (b) Not later than December 1, 2008, any municipality that
252 previously established such an agency, may, by a majority vote of the
253 legislative body of such municipality, choose to have any such
254 complaints investigated and reviewed by the Office of State Ethics.

255 (c) No member of a municipal ethics commission or agency
256 established between July 1, 2007, and December 1, 2008, shall: (1) Hold
257 or campaign for any public office; (2) have held public office or have
258 been a candidate for public office for a two-year period prior to

259 appointment; (3) hold office in any political party or political
260 committee; (4) serve as a member of any other agency of such
261 municipality; or (5) be a public official or public employee of the
262 municipality that established such municipal ethics commission or
263 agency, or an official or employee of a quasi-public agency of such
264 municipality.

265 Sec. 7. (NEW) (*Effective July 1, 2007*) Not later than January 1, 2008,
266 each municipality that has not required public officials and public
267 employees to disclose their financial interests shall establish a policy
268 for such disclosure. Such policy shall list the offices or positions for
269 which such disclosure shall be required and shall set forth the scope
270 and manner of such disclosure.

271 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) Not later than April 1, 2008,
272 each municipality shall submit a report to the Office of State Ethics
273 stating whether the municipality has complied with each of the
274 applicable requirements of sections 2 to 7, inclusive, of this act.

275 (b) Not later than June 15, 2008, the Office of State Ethics shall
276 submit a report to the joint standing committee of the General
277 Assembly having cognizance of matters relating to ethics. Said report
278 shall (1) indicate the status of the compliance of each municipality with
279 the applicable requirements of sections 2 to 7, inclusive, of this act, and
280 (2) if any municipality has not complied with any such requirement,
281 make recommendations for securing such compliance, including, but
282 not limited to, proposed legislation.

283 Sec. 9. (NEW) (*Effective July 1, 2007*) In each odd-numbered year, the
284 Office of State Ethics shall conduct training on ethical issues affecting
285 public officials and public employees of municipalities.

286 Sec. 10. Subdivision (10) of subsection (c) of section 7-148 of the
287 general statutes is repealed and the following is substituted in lieu
288 thereof (*Effective January 1, 2008*):

289 (10) (A) Make all lawful regulations and ordinances in furtherance

290 of any general powers as enumerated in this section, and prescribe
291 penalties for the violation of the same not to exceed two hundred fifty
292 dollars, unless otherwise specifically provided by the general statutes.
293 Such regulations and ordinances may be enforced by citations issued
294 by designated municipal officers or employees, provided the
295 regulations and ordinances have been designated specifically by the
296 municipality for enforcement by citation in the same manner in which
297 they were adopted and the designated municipal officers or employees
298 issue a written warning providing notice of the specific violation
299 before issuing the citation;

300 [(B) Adopt a code of ethical conduct;]

301 [(C)] (B) Establish and maintain free legal aid bureaus;

302 [(D)] (C) Perform data processing and related administrative
303 computer services for a fee for another municipality;

304 [(E)] (D) Adopt the model ordinance concerning a municipal
305 freedom of information advisory board created under subsection (f) of
306 section 1-205 and establish a municipal freedom of information
307 advisory board as provided by said ordinance and said section.

308 Sec. 11. Section 7-148h of the general statutes is repealed and the
309 following is substituted in lieu thereof (*Effective July 1, 2007*):

310 (a) Any town, city, district, as defined in section 7-324, or borough
311 may, not later than December 1, 2008, by charter provision or
312 ordinance, establish a board, commission, council, committee or other
313 agency to investigate allegations of unethical conduct, corrupting
314 influence or illegal activities levied against any official, officer or
315 employee of such town, city, district or borough. The provisions of
316 subsections (a) to (e), inclusive, of section 1-82a shall apply to
317 allegations before any such agency of such conduct, influence or
318 activities, to an investigation of such allegations conducted prior to a
319 probable cause finding, and to a finding of probable cause or no
320 probable cause. Any board, commission, council, committee or other

321 agency established pursuant to this section may issue subpoenas or
322 subpoenas duces tecum, enforceable upon application to the Superior
323 Court, to compel the attendance of persons at hearings and the
324 production of books, documents, records and papers.

325 [(b) Notwithstanding the provisions of any special act, municipal
326 charter or ordinance to the contrary, an elected official of any town,
327 city, district or borough that has established a board, commission,
328 council, committee or other agency under subsection (a) of this section,
329 has an interest that is in substantial conflict with the proper discharge
330 of the official's duties or employment in the public interest and of the
331 official's responsibilities as prescribed by the laws of this state, if the
332 official has reason to believe or expect that the official, the official's
333 spouse or dependent child, or a business with which he is associated,
334 as defined in section 1-79, will derive a direct monetary gain or suffer a
335 direct monetary loss, as the case may be, by reason of the official's
336 official activity. Any such elected official does not have an interest that
337 is in substantial conflict with the proper discharge of the official's
338 duties in the public interest and of the official's responsibilities as
339 prescribed by the laws of this state, if any benefit or detriment accrues
340 to the official, the official's spouse or dependent child, or a business
341 with which he, his spouse or such dependent child is associated as a
342 member of a profession, occupation or group to no greater extent than
343 to any other member of such profession, occupation or group. Any
344 such elected official who has a substantial conflict may not take official
345 action on the matter.]

346 (b) On and after December 1, 2008, any person aggrieved by a
347 decision of a board, commission, council, committee or other agency
348 established pursuant to subsection (a) of this section, may take appeal
349 of such decision to the Office of State Ethics. The Office of State Ethics
350 shall review such appeal, de novo, in accordance with the provisions
351 of section 1-82, provided the Office of State Ethics may refuse to
352 investigate and review any matter that fails to adequately allege a
353 violation of the provisions of section 3, 4 or 5 of this act.

354 Sec. 12. (NEW) (*Effective July 1, 2007*) As used in sections 12 to 27,
355 inclusive, of this act, unless the context otherwise requires:

356 (1) "Administrative action" means any action or nonaction of any
357 agency of a municipality with respect to the proposal, drafting,
358 development, consideration, amendment, adoption or repeal of any
359 rule, regulation, ordinance, referendum, budget or utility rate, and any
360 action or nonaction of any agency of a municipality, regarding a
361 contract, grant, award, purchasing agreement, loan, bond, certificate,
362 license, permit or any other matter which is within the official
363 jurisdiction or cognizance of such an agency.

364 (2) "Business organization" means a sole proprietorship,
365 corporation, limited liability company, association, firm or partnership,
366 other than a client lobbyist, which is owned by, or employs one or
367 more individual lobbyists.

368 (3) "Candidate for municipal office" means any person who has filed
369 a declaration of candidacy or a petition to appear on the ballot for
370 election as a municipal official, or who has raised or expended money
371 in furtherance of such candidacy, or who has been nominated for
372 appointment to serve as a municipal official.

373 (4) "Client lobbyist" means a lobbyist on behalf of whom lobbying
374 takes place and who makes expenditures for lobbying and in
375 furtherance of lobbying.

376 (5) "Office" means the Office of State Ethics.

377 (6) "Communicator lobbyist" means a lobbyist who communicates
378 directly or solicits others to communicate with an official or such
379 official's staff in a municipality for the purpose of influencing
380 legislative or administrative action.

381 (7) "Compensation" means any value received or to be received by a
382 person acting as a lobbyist, whether in the form of a fee, salary or
383 forbearance.

384 (8) "Expenditure" means any advance, conveyance, deposit,
385 distribution, transfer of funds, loan, payment, unless expressly
386 excluded; any payments for telephone, mailing, postage, printing and
387 other clerical or office services and materials; any paid
388 communications, costing fifty dollars or more in any calendar year,
389 disseminated by means of any printing, broadcasting or other
390 medium, provided such communications refer to pending
391 administrative or legislative action; any contract, agreement, promise
392 or other obligation; any solicitation or solicitations, costing fifty dollars
393 or more in the aggregate for any calendar year, of other persons to
394 communicate with a municipal official or municipal employee for the
395 purpose of influencing any legislative or administrative act and any
396 pledge, subscription of money or anything of value. "Expenditure"
397 shall not include the payment of a registrant's fee pursuant to section
398 17 of this act, any expenditure made by any club, committee,
399 partnership, organization, business, union, association or corporation
400 for the purpose of publishing a newsletter or other release to its
401 members, shareholders or employees, or contributions, membership
402 dues or other fees paid to associations, nonstock corporations or tax-
403 exempt organizations under Section 501(c) of the Internal Revenue
404 Code of 1986, or any subsequent corresponding internal revenue code
405 of the United States, as from time to time amended.

406 (9) "Gift" means anything of value, which is directly and personally
407 received, unless consideration of equal or greater value is given in
408 return. "Gift" shall not include:

409 (A) A political contribution otherwise reported as required by law
410 or a donation or payment described in subdivision (9) or (11) of
411 subsection (b) of section 9-601a of the general statutes;

412 (B) Services provided by persons volunteering their time;

413 (C) A commercially reasonable loan made on terms not more
414 favorable than loans made in the ordinary course of business;

415 (D) A gift received from (i) the individual's spouse, fiance or fiancée,

416 (ii) the parent, brother or sister of such spouse or such individual, or
417 (iii) the child of such individual or the spouse of such child;

418 (E) Goods or services (i) which are provided to a municipality (I) for
419 use on municipal property, or (II) to support an event or the
420 participation by a municipal official or municipal employee at an
421 event, and (ii) which facilitate municipal action or functions. As used
422 in this subdivision, "municipal property" means property owned or
423 leased by the municipality;

424 (F) A certificate, plaque or other ceremonial award costing less than
425 one hundred dollars;

426 (G) A rebate, discount or promotional item available to the general
427 public;

428 (H) Printed or recorded informational material germane to
429 municipal action or functions;

430 (I) Food or beverage or both, costing less than fifty dollars in the
431 aggregate per recipient in a calendar year, and consumed on an
432 occasion or occasions at which the person paying, directly or
433 indirectly, for the food or beverage, or the person's representative, is in
434 attendance;

435 (J) A gift, including, but not limited to, food or beverage or both,
436 provided by an individual for the celebration of a major life event;

437 (K) Gifts costing less than one hundred dollars in the aggregate or
438 food or beverage provided at a hospitality suite at a meeting or
439 conference of an interstate municipal association, by a person who is
440 not a registrant or is not doing business with the state of Connecticut;

441 (L) Admission to a charitable or civic event, including food and
442 beverage provided at such event, but excluding lodging or travel
443 expenses, at which a municipal official or municipal employee
444 participates in such official's or employee's official capacity, provided
445 such admission is provided by the primary sponsoring entity;

446 (M) Anything of value provided by an employer of (i) a municipal
447 official, (ii) a municipal employee, or (iii) a spouse of a municipal
448 official or municipal employee, to such official, employee or spouse,
449 provided such benefits are customarily and ordinarily provided to
450 others in similar circumstances; or

451 (N) Anything having a value of not more than ten dollars, provided
452 the aggregate value of all things provided by a donor to a recipient
453 under this subdivision in any calendar year shall not exceed fifty
454 dollars.

455 (10) "Immediate family" means any spouse, dependent children or
456 dependent relatives who reside in the individual's household.

457 (11) "Individual" means a natural person.

458 (12) "Legislative action" means introduction, sponsorship,
459 consideration, debate, amendment, passage, defeat, approval, veto,
460 overriding of a veto or any other official action or nonaction with
461 regard to any rule, regulation, ordinance, referendum, budget,
462 measure, resolution, amendment, nomination, appointment, report, or
463 any other matter pending or proposed in a legislative body of a
464 municipality, or any matter which is within the official jurisdiction or
465 cognizance of such legislative body.

466 (13) "Lobbying" means communicating directly or soliciting others
467 to communicate with any official or such official's staff in a
468 municipality, for the purpose of influencing any legislative or
469 administrative action except that the term "lobbying" does not include
470 (A) communications by or on behalf of a party to, or an intervenor in, a
471 contested case, as defined in regulations adopted by the office in
472 accordance with the provisions of chapter 54 of the general statutes,
473 before a municipality, (B) communications by a representative of a
474 vendor or by an employee of the client lobbyist which representative
475 or employee acts as a salesperson and does not otherwise engage in
476 lobbying regarding any administrative action, (C) communications by
477 an attorney made while engaging in the practice of law and regarding

478 any matter other than legislative action or the proposal, drafting,
479 development, consideration, amendment, adoption or repeal of any
480 rule, regulation, ordinance, referendum or budget, (D)
481 notwithstanding the provisions of subparagraph (C) of this
482 subdivision, communications by an attorney, made while engaging in
483 the practice of law, with any official or staff of any agency of the
484 municipality having responsibility for planning or zoning decisions
485 made pursuant to chapter 124 of the general statutes and inland
486 wetlands decisions made pursuant to chapter 440 of the general
487 statutes or the legislative body of the municipality, concerning
488 legislative action or the proposal, drafting, development,
489 consideration, amendment, adoption or repeal of any rule, regulation,
490 ordinance, referendum or budget, with regard to a land use matter
491 before such agency or legislative body, or (E) other communications
492 exempted by regulations adopted by the office in accordance with the
493 provisions of chapter 54 of the general statutes.

494 (14) "Lobbyist" means a person who in lobbying and in furtherance
495 of lobbying, with regard to a single municipality, makes or agrees to
496 make expenditures, or receives or agrees to receive compensation,
497 reimbursement, or both, and such compensation, reimbursement or
498 expenditures for a single municipality are two thousand dollars or
499 more in any calendar year or the combined amount thereof for a single
500 municipality is two thousand dollars or more in any such calendar
501 year. Lobbyist shall not include:

502 (A) A municipal official or municipal employee, or such official's or
503 employee's designee other than an independent contractor, who is
504 acting within the scope of such official's, employee's or designee's
505 authority or employment;

506 (B) An attorney, including, but not limited to, bond counsel or a
507 municipal attorney, who is retained and compensated by a
508 municipality to provide legal services to the municipality, or a
509 financial advisor retained and compensated by a municipality to
510 provide financial advisory services to the municipality;

511 (C) A publisher, owner or an employee of the press, radio or
512 television while disseminating news or editorial comment to the
513 general public in the ordinary course of business;

514 (D) An individual representing such individual or another person
515 before the municipality other than for the purpose of influencing
516 legislative or administrative action;

517 (E) Any individual or employee who receives no compensation or
518 reimbursement specifically for lobbying and who limits such
519 individual's or employee's activities solely to formal appearances to
520 give testimony before public sessions of the legislative body of a
521 municipality and who, if such individual or employee testifies,
522 registers such individual's or employee's appearance in the records of
523 the legislative body;

524 (F) A member of an advisory board acting within the scope of such
525 member's appointment;

526 (G) Any person who receives no compensation or reimbursement
527 specifically for lobbying and who spends no more than five hours
528 lobbying or in furtherance of lobbying, unless such person, exclusive
529 of salary, receives compensation or makes expenditures, or both, of
530 two thousand dollars or more in any calendar year for lobbying or the
531 combined amount thereof is two thousand dollars or more in any such
532 calendar year;

533 (H) A communicator lobbyist who receives or agrees to receive
534 compensation, reimbursement, or both, the aggregate amount of which
535 is less than two thousand dollars from each client in any calendar year;

536 (I) A public official or state employee, as defined in section 1-79 of
537 the general statutes, other than an independent contractor, who is
538 acting within the scope of his or her authority or employment; or

539 (J) A senator or representative in Congress acting within the scope
540 of such senator's or representative's office.

541 (15) "Member of an advisory board" means any person appointed by
542 a municipal official as an advisor or consultant or member of a
543 committee, office or council established to advise, recommend or
544 consult with a municipal official, municipal agency or a committee
545 thereof and who receives no public funds other than per diem
546 payments or reimbursement for such person's actual and necessary
547 expenses incurred in the performance of such person's official duties
548 and who has no authority to expend any public funds or to exercise the
549 power of a municipality.

550 (16) "Municipal official" means any elected municipal officer or any
551 person appointed to any office of a municipality.

552 (17) "Municipal employee" means any employee of a municipality,
553 whether in the classified or unclassified service and whether full or
554 part-time.

555 (18) "Municipality" means any city, town, borough, municipal
556 corporation, municipal authority, school district, regional district,
557 metropolitan district or other district.

558 (19) "Person" means an individual, a business, corporation, limited
559 liability company, union, association, firm, partnership, committee,
560 club or other organization or group of persons.

561 (20) "Political contribution" has the same meaning as in section 9-
562 601a of the general statutes except that for purposes of sections 12 to
563 27, inclusive, of this act, the provisions of subsection (b) of section 9-
564 601a of the general statutes shall not apply.

565 (21) "Registrant" means a person who is required to register
566 pursuant to section 16 of this act.

567 (22) "Reimbursement" means any money or thing of value received
568 or to be received in the form of payment for expenses as a lobbyist, not
569 including compensation.

570 Sec. 13. (NEW) (*Effective July 1, 2007*) The Office of State Ethics shall:

571 (1) Adopt regulations in accordance with chapter 54 of the general
572 statutes to carry out the purposes of sections 12 to 27, inclusive, of this
573 act. The office shall adopt regulations which further clarify the
574 meaning of the terms "directly and personally received" and "major life
575 event", as used in section 12 of this act;

576 (2) Compile and maintain an index of all reports and statements
577 filed with the office under the provisions of sections 12 to 27, inclusive,
578 of this act and advisory opinions issued by the office with regard to the
579 requirements of said sections, to facilitate public access to such reports,
580 statements and advisory opinions promptly upon the filing or issuance
581 thereof;

582 (3) Prepare quarterly and annual summaries of statements and
583 reports filed with the office and advisory opinions issued by the office;

584 (4) Preserve advisory opinions permanently and preserve
585 memoranda filed under subsection (b) of section 14 of this act,
586 statements and reports filed by and with the office for a period of five
587 years from the date of receipt;

588 (5) Upon the concurring vote of four of its members, the Citizen's
589 Ethics Advisory Board shall issue advisory opinions with regard to the
590 requirements of sections 12 to 27, inclusive, of this act upon the request
591 of any person, subject to the provisions of sections 12 to 27, inclusive,
592 of this act, and publish such advisory opinions in the Connecticut Law
593 Journal. Advisory opinions rendered by the office, until amended or
594 revoked, shall be binding on the office and shall be deemed to be final
595 decisions of the office for purposes of section 24 of this act. Any
596 advisory opinion concerning any person subject to the provisions of
597 sections 12 to 27, inclusive, of this act who requested the opinion and
598 who acted in reliance thereon, in good faith, shall be binding upon the
599 office, and it shall be an absolute defense in any criminal action
600 brought under the provisions of said sections that the accused acted in
601 reliance upon such advisory opinion;

602 (6) Report annually, prior to February fifteenth, to the Governor

603 summarizing the activities of the office concerning sections 12 to 27,
604 inclusive, of this act; and

605 (7) Employ necessary staff within available appropriations to carry
606 out the purposes of sections 12 to 27, inclusive, of this act.

607 Sec. 14. (NEW) (*Effective July 1, 2007*) (a) (1) Upon the complaint of
608 any person on a form prescribed by the Office of State Ethics, signed
609 under penalty of false statement, or upon its own complaint, the office
610 shall investigate any alleged violation of sections 12 to 27, inclusive, of
611 this act. Not later than five days after the receipt or issuance of such
612 complaint, the office shall provide notice of such receipt or issuance
613 and a copy of the complaint by registered or certified mail to any
614 respondent against whom such complaint is filed and shall provide
615 notice of the receipt of such complaint to the complainant. When the
616 office undertakes an evaluation of a possible violation of sections 12 to
617 27, inclusive, of this act prior to the filing of a complaint by the office,
618 the subject of the evaluation shall be notified within five business days
619 after a office staff member's first contact with a third party concerning
620 the matter.

621 (2) In the conduct of its investigation of an alleged violation of
622 sections 12 to 27, inclusive, of this act, the office shall have the power
623 to hold hearings, administer oaths, examine witnesses, receive oral and
624 documentary evidence, subpoena witnesses under procedural rules
625 adopted by the office as regulations in accordance with the provisions
626 of chapter 54 of the general statutes to compel attendance before the
627 office and to require the production for examination by the office of
628 any document or physical evidence that the office deems relevant in
629 any matter under investigation or in question. In the exercise of such
630 powers, the office may use the services of the state police, who shall
631 provide the same upon the office's request. The office shall make a
632 record of all proceedings conducted pursuant to this subsection. Any
633 witness summoned before the office shall receive the witness fee paid
634 to witnesses in the courts of this state. The respondent shall have the
635 right to appear and be heard and to offer any information which may

636 tend to clear the respondent of probable cause to believe that the
637 respondent has violated any provision of sections 12 to 27, inclusive, of
638 this act. The respondent shall also have the right to be represented by
639 legal counsel and to examine and cross-examine witnesses. Not later
640 than ten days prior to the commencement of any hearing conducted
641 pursuant to this subsection, the office shall provide the respondent
642 with a list of its intended witnesses. The office shall make no finding
643 that there is probable cause to believe the respondent is in violation of
644 sections 12 to 27, inclusive, of this act, except upon the concurring vote
645 of four of its members.

646 (b) If a preliminary investigation indicates that probable cause exists
647 for the violation of a provision of sections 12 to 27, inclusive, of this act,
648 the office shall initiate hearings to determine whether there has been a
649 violation of said sections. A judge trial referee, who shall be assigned
650 by the Chief Court Administrator and who shall be compensated in
651 accordance with section 52-434 of the general statutes out of funds
652 available to the office, shall preside over such hearing and shall rule on
653 all matters concerning the application of the rules of evidence, which
654 shall be the same as in judicial proceedings. The trial referee shall have
655 no vote in any decision of the office. All hearings of the office held
656 pursuant to this subsection shall be open. At such hearing the office
657 shall have the same powers as under subsection (a) of this section and
658 the respondent shall have the right to be represented by legal counsel,
659 the right to compel attendance of witnesses and the production of
660 books, documents, records and papers and to examine and cross-
661 examine witnesses. Not later than ten days prior to the commencement
662 of any hearing conducted pursuant to this subsection, the office shall
663 provide the respondent with a list of its intended witnesses. The judge
664 trial referee shall, while engaged in the discharge of the judge trial
665 referee's duties as provided in this subsection, have the same authority
666 as is provided in section 51-35 of the general statutes over witnesses
667 who refuse to obey a subpoena or to testify with respect to any matter
668 upon which such witness may be lawfully interrogated, and may
669 commit any such witness for contempt for a period no longer than
670 thirty days. The office shall make a record of all proceedings pursuant

671 to this subsection. The office shall find no person in violation of any
672 provision of sections 12 to 27, inclusive, of this act except upon the
673 concurring vote of five of the members of the Citizen's Ethics Advisory
674 Board. Not later than fifteen days after the public hearing conducted in
675 accordance with this subsection, the office shall publish its finding and
676 a memorandum of the reasons for such finding. Such finding and
677 memorandum shall be deemed to be the final decision of the office on
678 the matter for the purposes of chapter 54 of the general statutes. The
679 respondent, if aggrieved by the finding and memorandum, may
680 appeal therefrom to the Superior Court in accordance with the
681 provisions of section 4-183 of the general statutes.

682 (c) If any complaint brought under the provisions of sections 12 to
683 27, inclusive, of this act is made with the knowledge that it is made
684 without foundation in fact, the respondent shall have a cause of action
685 against the complainant for double the amount of damage caused
686 thereby and if the respondent prevails in such action, the respondent
687 may be awarded by the court the costs of such action together with
688 reasonable attorneys' fees.

689 (d) No complaint may be made under this section except within
690 three years next after the violation alleged in the complaint has been
691 committed.

692 (e) No person shall take or threaten to take official action against an
693 individual for such individual's disclosure of information to the office
694 under the provisions of sections 12 to 27, inclusive, of this act. After
695 receipt of information from an individual under the provisions of
696 sections 12 to 27, inclusive, of this act, the office shall not disclose the
697 identity of such individual without the individual's consent unless the
698 office determines that such disclosure is unavoidable during the course
699 of an investigation.

700 Sec. 15. (NEW) (*Effective July 1, 2007*) (a) Unless the Office of State
701 Ethics makes a finding of probable cause, a complaint alleging a
702 violation of sections 12 to 27, inclusive, of this act shall be confidential
703 except upon the request of the respondent. An office evaluation of a

704 possible violation of said sections undertaken prior to a complaint
705 being filed by the office shall be confidential except upon the request of
706 the subject of the evaluation. If the evaluation is confidential, no
707 information supplied to or received from the office shall be disclosed
708 to any third party by a subject of the evaluation, a person contacted for
709 the purpose of obtaining information or by an office staff or board
710 member. No provision of this subsection shall prevent the office from
711 reporting the possible commission of a crime to the Chief State's
712 Attorney or other prosecutorial authority.

713 (b) An investigation conducted prior to a probable cause finding
714 shall be confidential except upon the request of the respondent. If the
715 investigation is confidential, the allegations in the complaint and any
716 information supplied to or received from the office shall not be
717 disclosed during the investigation to any third party by a complainant,
718 respondent, witness, designated party, or office of staff or board
719 member.

720 (c) Not later than three business days after the termination of the
721 investigation, the office shall inform the complainant and the
722 respondent of its finding and provide them a summary of its reasons
723 for making that finding. The office shall publish its finding upon the
724 respondent's request and may also publish a summary of its reasons
725 for making such finding.

726 (d) If the office makes a finding of no probable cause, the complaint
727 and the record of its investigation shall remain confidential, except
728 upon the request of the respondent and except that some or all of the
729 record may be used in subsequent proceedings. No complainant,
730 respondent, witness, designated party, or office staff or board member
731 shall disclose to any third party any information learned from the
732 investigation, including knowledge of the existence of a complaint,
733 which the disclosing party would not otherwise have known. If such a
734 disclosure is made, the office may, after consultation with the
735 respondent if the respondent is not the source of the disclosure,
736 publish its finding and a summary of its reasons therefor.

737 (e) The office shall make public a finding of probable cause not later
738 than five business days after the termination of the investigation. At
739 such time the entire record of the investigation shall become public,
740 except that the office may postpone examination or release of such
741 public records for a period not to exceed fourteen days for the purpose
742 of reaching a stipulation agreement pursuant to subsection (c) of
743 section 4-177 of the general statutes.

744 Sec. 16. (NEW) (*Effective July 1, 2007*) (a) A lobbyist shall register
745 with the Office of State Ethics pursuant to section 17 of this act for
746 lobbying a municipality if the lobbyist:

747 (1) Receives or agrees to receive compensation or reimbursement for
748 actual expenses, or both, in a combined amount of two thousand
749 dollars or more in a calendar year for lobbying said municipality,
750 whether that receipt of compensation or reimbursement or agreement
751 to receive such compensation or reimbursement is solely for lobbying
752 or the lobbying is incidental to that person's regular employment; or

753 (2) Makes or incurs an obligation to make expenditures of two
754 thousand dollars or more in a calendar year for lobbying said
755 municipality.

756 (b) A lobbyist shall register separately with the office for each
757 municipality for which the lobbyist meets the threshold requirement
758 for registering under subsection (a) of this section.

759 (c) A person who is a lobbyist pursuant to part II of chapter 10 of the
760 general statutes and is required to register with the office pursuant to
761 section 1-94 of the general statutes shall register separately with the
762 office for each municipality for which the lobbyist meets the threshold
763 requirement for registering under subsection (a) of this section.

764 Sec. 17. (NEW) (*Effective July 1, 2007*) (a) Each registrant shall file
765 annually with the Office of State Ethics on a separate registration form
766 for each municipality for which the registrant meets the threshold
767 requirement for registering under subsection (a) of section 16 of this

768 act, except that a registrant representing a regional or state-wide trade
769 association or similar entity, which lobbies in more than one
770 municipality, shall be required to file only one registration on behalf of
771 such association or entity per registration period and such association
772 or entity shall also be required to file only one registration per
773 registration period. The registrant shall sign each such form under
774 penalty of false statement and file such forms with the office on or
775 before January fifteenth or prior to the commencement of lobbying,
776 whichever is later. If the registrant is not an individual, an authorized
777 officer or agent of the registrant shall sign each form. Such registration
778 or registrations shall be on a form prescribed by the office and shall
779 include:

780 (1) If the registrant is an individual, the registrant's name,
781 permanent address and temporary address while lobbying and the
782 name, address and nature of business of any person who compensates
783 or reimburses, or agrees to compensate or reimburse the registrant and
784 the terms of the compensation, reimbursement or agreement, but shall
785 not include the compensation paid to an employee for the employee's
786 involvement in activities other than lobbying;

787 (2) If the registrant is a corporation, the name, address, place of
788 incorporation and the principal place of business of the corporation;

789 (3) If the registrant is an association, group of persons or an
790 organization, the name and address of the principal officers and
791 directors of such association, group of persons or organization. If the
792 registrant is formed primarily for the purpose of lobbying, it shall
793 disclose the name and address of any person contributing two
794 thousand dollars or more to the registrant's lobbying activities in any
795 calendar year;

796 (4) If the registrant is not an individual, the name and address of
797 each individual who will lobby on the registrant's behalf; and

798 (5) The name of the municipality that the registrant is lobbying and
799 the identification, with reasonable particularity, of areas of legislative

800 action or administrative action on which the registrant expects to
801 lobby.

802 (b) Each registrant shall pay a reasonable fee not in excess of the cost
803 of administering each registration form filed by the registrant under
804 subsection (a) of this section in a calendar year, plus the cost of
805 collecting, filing, copying and distributing the information filed by
806 registrants under section 18 of this act, but not less than twenty-five
807 dollars.

808 (c) Each registrant shall file a notice of termination within thirty
809 days after the registrant ceases the activity that required registration,
810 provided the registrant does not intend to resume the activity during
811 the annual period for which the registrant is registered. The
812 termination of a registration shall not relieve the registrant of the
813 reporting requirements of section 18 of this act for the period
814 preceding the date that the registrant's notice of termination is received
815 by the office or for the period commencing on such date and ending on
816 December thirty-first of the year in which termination occurs.

817 Sec. 18. (NEW) (*Effective July 1, 2007*) (a) Each client lobbyist
818 registrant shall file with the Office of State Ethics between the first and
819 tenth day of April, July, October and January a financial report, signed
820 under penalty of false statement. Each report shall cover its lobbying
821 activities during the previous calendar quarter. If the client lobbyist
822 registrant is not an individual, an authorized officer or agent of the
823 client lobbyist registrant shall sign the form.

824 (b) Each individual communicator lobbyist registrant and each
825 business organization communicator lobbyist registrant shall file with
826 the office between the first and tenth day of January a report or
827 reports, signed under penalty of false statement, reporting the
828 amounts of compensation and reimbursement received from each of
829 the registrant's clients during the previous year. In addition, each
830 individual communicator lobbyist registrant and each business
831 organization communicator lobbyist registrant shall: (1) Report the
832 fundamental terms of contracts, agreements or promises to pay or

833 receive compensation or reimbursement or to make expenditures in
834 furtherance of lobbying, including the categories of work to be
835 performed and the dollar value or compensation rate of the contract, at
836 the time of registration; (2) report, in accordance with the schedule set
837 forth in subsection (a) of this section, any amendments to these
838 fundamental terms, including any agreements to subcontract lobbying
839 work; and (3) report, in accordance with the schedule set forth in
840 subsection (a) of this section, any expenditures for the benefit of a
841 municipal official or a member of the staff or immediate family of the
842 municipal official that are unreimbursed and required to be itemized.
843 Such report shall not include the disclosure of food and beverage
844 provided by a communicator lobbyist registrant to a municipal official
845 or a member of the municipal official's staff or immediate family at a
846 major life event, as defined by the office, of the registrant. All such
847 information shall be reported under penalty of false statement.

848 (c) An individual communicator lobbyist registrant shall file a
849 separate report for each person from whom the registrant received
850 compensation or reimbursement. Notwithstanding any provision of
851 this subsection to the contrary, a business organization to which one or
852 more individual communicator lobbyist registrants belongs may file a
853 single report for each client lobbyist in lieu of any separate reports that
854 individual registrants are required to file pursuant to this subsection.

855 (d) Each registrant who files a notice of termination under
856 subsection (c) of section 17 of this act shall file with the office a
857 financial report, under penalty of false statement, between the first and
858 tenth day of January of the year following termination.

859 (e) Each client lobbyist registrant financial report shall be on a form
860 prescribed by the office and shall state expenditures made and the
861 fundamental terms of contracts, agreements or promises to pay
862 compensation or reimbursement or to make expenditures in
863 furtherance of lobbying. Any such fundamental terms shall be
864 reported once in the quarterly or post-termination report next
865 following the entering into of such contract. Such financial report shall

866 include an itemized statement of each expenditure of ten dollars or
867 more per person for each occasion made by the reporting registrant or
868 a group of registrants that includes the reporting registrant for the
869 benefit of a municipal official or a member of the municipal official's
870 staff or immediate family, itemized by date, beneficiary, amount and
871 circumstances of the transaction. The requirement of an itemized
872 statement shall not apply to an expenditure made by a reporting
873 registrant or a group of registrants which includes the reporting
874 registrant for benefits personally and directly received by a municipal
875 official or municipal employee at a charitable or civic event at which
876 the municipal official or municipal employee participates in such
877 official's or employee's official capacity, unless the expenditure is thirty
878 dollars or more per person, per event. If the compensation is required
879 to be reported for an individual whose lobbying is incidental to such
880 individual's regular employment, it shall be sufficient to report a
881 prorated amount based on the value of the time devoted to lobbying.
882 On the first financial report following registration each client lobbyist
883 registrant shall include any expenditures incident to lobbying activities
884 that were received or expended prior to registration and not
885 previously reported to the office.

886 (f) The office shall, by regulations adopted in accordance with
887 chapter 54 of the general statutes, establish minimum amounts for each
888 item required to be reported, below which reporting may be made in
889 the aggregate. The provisions of this subsection shall not apply to
890 expenditures made for the benefit of a municipal official or a member
891 of such person's staff or immediate family.

892 (g) Each former registrant shall (1) report receipts or expenditures
893 incident to lobbying activities during the former registrant's period of
894 registration that are received or expended following termination of
895 registration, and (2) report each expenditure of ten dollars or more per
896 person for each occasion made by the former registrant for the benefit
897 of a municipal official or a member of such official's immediate family
898 or staff that occurs within six months after termination of registration.

899 (h) The office shall, not later than thirty days after receipt of a
900 financial report that contains the name of a municipal official or a
901 member of such official's staff or immediate family, send a written
902 notice to such official of the filing of the report and the name of the
903 person who filed it.

904 Sec. 19. (NEW) (*Effective July 1, 2007*) (a) Each registrant shall obtain
905 and preserve all accounts, bills, receipts and other documents
906 necessary to substantiate the financial reports required by section 18 of
907 this act for a period of three years from the date of the filing of the
908 report referring to such financial matters, provided this section shall
909 apply to each expenditure for the benefit of a municipal official of ten
910 dollars or more and all other expenditures of fifty dollars or more.

911 (b) The Office of State Ethics may require, on a random basis, any
912 registrant to make all such documents substantiating financial reports
913 concerning lobbying activities available for inspection and copying by
914 the office for the purpose of verifying such financial reports, provided
915 no registrant shall be subject to such requirement more than one time
916 during any three consecutive years. The office shall select registrants to
917 be audited by lot in a ceremony which shall be open to the public.
918 Nothing in this subsection shall require a registrant to make any
919 documents concerning nonlobbying activities available to the office for
920 inspection and copying.

921 Sec. 20. (NEW) (*Effective July 1, 2007*) Each registrant required to file
922 any financial reports under section 18 of this act shall do so in
923 electronic form using the electronic filing program developed by the
924 Office of State Ethics.

925 Sec. 21. (NEW) (*Effective July 1, 2007*) The Office of State Ethics shall
926 make all computerized data from financial reports required by section
927 18 of this act available to the public through (1) a computer terminal in
928 the Office of State Ethics, and (2) the Internet or any other generally
929 available on-line computer network.

930 Sec. 22. (NEW) (*Effective July 1, 2007*) Each registrant who pays or

931 reimburses a municipal official or municipal employee ten dollars or
932 more for necessary expenses shall, within thirty days, file a statement
933 with the office indicating the name of such individual and the amount
934 of the expenses. As used in this section, "necessary expenses" means a
935 municipal official's or municipal employee's expenses for an article,
936 appearance or speech or for participation at an event, in such official's
937 or employee's official capacity, which shall be limited to necessary
938 travel expenses, lodging for the nights before, of and after the
939 appearance, speech or event, meals and any related conference or
940 seminar registration fees.

941 Sec. 23. (NEW) (*Effective July 1, 2007*) (a) No registrant or anyone
942 acting on behalf of a registrant shall knowingly give a gift to any
943 municipal official, municipal employee, candidate for municipal office
944 or a member of any such person's staff or immediate family. Nothing
945 in this section shall be construed to permit any activity prohibited
946 under section 53a-147 or 53a-148 of the general statutes.

947 (b) No person or business organization shall be employed to lobby
948 for compensation which is contingent upon the outcome of any
949 administrative or legislative action. No person shall employ a lobbyist
950 or business organization for compensation that is contingent upon the
951 outcome of any administrative or legislative action.

952 (c) No lobbyist may: (1) Do anything with the purpose of placing
953 any municipal official under personal obligation; (2) attempt to
954 influence any legislative action or administrative action for the
955 purpose of thereafter being employed to secure its defeat; or (3) cause
956 any communication to be sent to any municipal official in the name of
957 any other individual except with the consent of such individual.

958 (d) Any person who gives to a municipal official, municipal
959 employee or candidate for municipal office, or a member of any such
960 person's staff or immediate family anything of value which is subject
961 to the reporting requirements pursuant to subsection (e) of section 18
962 of this act shall, not later than ten days thereafter, give such recipient a
963 written report stating the name of the donor, a description of the item

964 or items given, the value of such items and the cumulative value of all
965 items given to such recipient during that calendar year. The provisions
966 of this subsection shall not apply to a political contribution otherwise
967 reported as required by law.

968 Sec. 24. (NEW) (*Effective July 1, 2007*) Any person aggrieved by any
969 final decision of the Office of State Ethics, made pursuant to sections 12
970 to 27, inclusive, of this act, may appeal such decision in accordance
971 with the provisions of section 4-175 or 4-183 of the general statutes.

972 Sec. 25. (NEW) (*Effective July 1, 2007*) (a) The Office of State Ethics,
973 upon a finding made pursuant to section 14 of this act that there has
974 been a violation of any provision of sections 12 to 27, inclusive, of this
975 act, shall have the authority to order the violator to do any or all of the
976 following: (1) Cease and desist the violation of said sections; (2) file
977 any report, statement or other information as required by said sections;
978 or (3) pay a civil penalty of not more than two thousand dollars for
979 each violation of said sections. The office may prohibit any person who
980 intentionally violates any provision of said sections from engaging in
981 the profession of lobbyist for a period of not more than two years. In
982 addition to such provisions, the office may impose a civil penalty on
983 any person who violates subsection (b) of section 23 of this act by
984 receiving, agreeing to receive, paying, or agreeing to pay,
985 compensation that is contingent upon the outcome of any
986 administrative or legislative action or by terminating a lobbying
987 contract as the result of the outcome of an administrative action or
988 legislative action. The civil penalty shall not exceed the total amount of
989 compensation that the person was required to pay or be paid under the
990 contingent compensation agreement. No person may benefit from an
991 agreement that violates subsection (b) of section 23 of this act.

992 (b) Notwithstanding the provisions of subsection (a) of this section,
993 the office may, after a hearing conducted in accordance with sections
994 4-176e to 4-184, inclusive, of the general statutes upon the concurring
995 vote of five of its members, impose a civil penalty not to exceed ten
996 dollars per day upon any registrant who fails to file any report,

997 statement or other information as required by sections 12 to 27,
 998 inclusive, of this act. Each distinct violation of this subsection shall be a
 999 separate offense and, in case of a continued violation, each day thereof
 1000 shall be deemed a separate offense. In no event shall the aggregate
 1001 penalty imposed for such failure to file exceed two thousand dollars.

1002 (c) The office may also report its finding to the Chief State's
 1003 Attorney for any action deemed necessary.

1004 Sec. 26. (NEW) (*Effective July 1, 2007*) Any person who intentionally
 1005 violates any provision of sections 12 to 27, inclusive, of this act shall be
 1006 imprisoned for a term not to exceed one year or shall be fined an
 1007 amount not to exceed two thousand dollars, or both.

1008 Sec. 27. (NEW) (*Effective July 1, 2007*) Each individual who is a
 1009 lobbyist shall, while engaged in lobbying, wear a distinguishing badge
 1010 which shall identify the individual as a lobbyist. The size, color,
 1011 material and other requirements of such badge shall be prescribed by
 1012 regulation of the Office of State Ethics.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section
Sec. 3	<i>July 1, 2007</i>	New section
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	New section
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>January 1, 2008</i>	7-148(c)(10)
Sec. 11	<i>July 1, 2007</i>	7-148h
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>July 1, 2007</i>	New section
Sec. 15	<i>July 1, 2007</i>	New section
Sec. 16	<i>July 1, 2007</i>	New section

Sec. 17	<i>July 1, 2007</i>	New section
Sec. 18	<i>July 1, 2007</i>	New section
Sec. 19	<i>July 1, 2007</i>	New section
Sec. 20	<i>July 1, 2007</i>	New section
Sec. 21	<i>July 1, 2007</i>	New section
Sec. 22	<i>July 1, 2007</i>	New section
Sec. 23	<i>July 1, 2007</i>	New section
Sec. 24	<i>July 1, 2007</i>	New section
Sec. 25	<i>July 1, 2007</i>	New section
Sec. 26	<i>July 1, 2007</i>	New section
Sec. 27	<i>July 1, 2007</i>	New section

GAE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Office of State Ethics	GF - Cost	Significant	Significant
Department of Revenue Services	GF - Revenue Gain	200,000	200,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
All Municipalities	STATE MANDATE - Cost	Potential Significant	Potential Significant

Explanation

This bill will require a significant influx of resources to the Office of State Ethics (OSE) to carry out the responsibilities outlined in the bill. The bill makes the OSE responsible for investigating and reviewing ethical complaints, after December 1, 2008, for municipalities that did not establish an enforcement agency to do so or by a majority of the vote of the legislative body of a municipality that chooses to have the complaints of ethical misconduct investigated and reviewed by OSE.

This bill will result in a cost to the municipalities that either currently do not have a code of ethics or need to amend their current code to adhere to the model code as outlined in the bill. For those towns that don't have attorneys on staff, it would be necessary to contract out for those services. These towns would have to draft a code of ethics, publish it in the newspaper, advertise a date for a public hearing, and then vote to adopt. The cost to a municipality to adopt a code of ethics may be significant. The cost to investigate allegations of unethical conduct cannot be determined at this time, but could be potentially significant.

The bill also requires the OSE to develop and implement ethics training every other year for all municipal officials and employees.

Requiring municipal lobbyists to register with the OSE will make their services subject to the 6% Sales Tax. The estimated revenue gain is expected to be \$200,000 annually. The bill states that these lobbyists will have to pay the state an annual registration fee of not less than \$25. The revenue generated from this fee is not expected to be significant.

The OSE would need to hire attorneys, investigators, trainers, and administrative staff. The OSE would also incur costs for equipment, educational materials, and other miscellaneous expenses. The extent of these costs is dependent upon the number of complaints that the OSE would receive from the 169 municipalities, but it is anticipated to be significant.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7000*****AN ACT CONCERNING MUNICIPAL ETHICS AND MUNICIPAL LOBBYING.*****SUMMARY:**

This bill creates a code of ethical conduct for municipal and special district (1) elected and appointed officials, including candidates for office, whether or not they are paid; (2) full-and part-time employees; and (3) paid consultants, consisting of people and businesses local governments hire to provide local services. It requires municipalities and districts to adopt it if they do not have a code that is at least as strict. However, there are no penalties for failing to do so. The bill eliminates the broader authority municipalities and districts currently have to adopt a code.

Beginning December 1, 2008, the bill requires the Office of State Ethics (OSE) to investigate and review ethical complaints for municipalities and districts that do not have an enforcement agency. Any municipality or district that previously established an enforcement agency, may, by a majority vote of its legislative body choose to have OSE investigate and review their complaints.

The bill prohibits certain people from serving on local ethics boards, requires municipalities and districts to adopt a policy on financial disclosures, requires compliance reports from municipalities and districts that adopt the bill's model code, and requires the OSE to provide ethics training to municipal and district officials and employees in each odd-numbered year.

The bill regulates municipal lobbyists in essentially the same way that state lobbyists are regulated. As is the case with state lobbyists, under the bill, OSE investigates and penalizes wrongdoing by

municipal lobbyists. Except as noted below, the only differences between the bill's Code of Ethics for Municipal Lobbyists and the existing code for state lobbyists are where there are no correlations between state and municipal functions. For example, prohibitions in the state code specific to legislators or the legislative session are not included in the municipal code.

EFFECTIVE DATE: July 1, 2007, except for the provision eliminating municipalities' existing authority to adopt an ethics code, which is effective January 1, 2008.

MUNICIPAL ETHICS CODE

The bill requires municipalities and special districts to adopt the bill's model code or a stricter one by January 1, 2008, including designating an agency to conduct investigations or deliberations.

Municipalities and districts that already have a code or adopt one by July 1, 2007 have to amend it by January 1, 2008 if it is not at least as strict as the model code.

Prohibited Conduct (§ 3)

Under the bill, no public official or employee can:

1. engage or participate in a business or transaction, including outside employment, or have a direct or indirect interest that is incompatible with, or that would impair, independent judgment in the proper discharge of the official's or employee's public responsibilities;
2. solicit or accept a "gift" from anyone he or she knows is interested in any pending matter within the official's or employee's direct administrative or operating authority to approve, disapprove, or otherwise direct government action;
3. disclose or use confidential information concerning municipal affairs that provides a monetary benefit to the official or employee or others of \$100 or more or results in a loss or gain of

\$100 or more in a calendar year;

4. ask or permit vehicles, equipment, facilities, material, or property owned by the municipality or district to be used for his or her own personal convenience or profit, except when this property is available to the general public or permitted for the employee's or official's use when conducting official business;
5. enter a contract with the municipality or special district, unless the contract is awarded through a public notice, competitive bidding process (the prohibition also applies to immediate family members i.e., spouse, child, or dependent relative living in his household) and associated businesses;
6. use the position or office for his or her own financial benefit or that of an immediate family member or associated business;
7. accept a fee or honorarium for an article written, appearance or speech made, or participation at an event, in his or her official capacity;
8. engage in political activity while on duty or during any time he or she is paid to be on duty (the prohibition also applies to candidates for elected municipal or district office) (see BACKGROUND);
9. use municipal or district funds, supplies, vehicles, or facilities for political activity (the prohibition also applies to candidates for elected municipal or district office); or
10. solicit or accept anything of value, including a gift, loan, political contribution, reward or promise of future employment based on any understanding that the official's or employee's vote, official action, or judgment would be or had been influenced by it. (The prohibition also applies to the official's or employee's immediate family or associated business.)

A "gift" is generally anything given for less than its value. The bill

contains 13 gift exceptions, including promotional material valued at \$10 or less; certificates or ceremonial awards valued at less than \$100; political contributions; and gifts from family members. In addition, a gift is not received by a public official or employee who pays the donor the full value of it, accepts it on behalf of the municipality or special district (i.e., the gift is intended to remain in the permanent possession of the municipality or special district), or donates it to a nonprofit organization. If donated, the official or employee cannot take a tax deduction or credit for it. The use of office prohibition (#6 from list above) does not prohibit a public official or state employee from receiving compensation for writing about his public service on his own time.

The bill also prohibits a public official or employee from voting on, or otherwise participating in, any matter on behalf of the municipality or special district he or she serves if he or she, an associated business, or an immediate family member has more than a minor financial or personal interest in the matter greater than that of any other segment of the population, including the sale of real estate, material, supplies, or services to the municipality or special district. "Personal interest" means a nonfinancial benefit or detriment from the expenditure of municipal funds for any municipal or district action. If the official's or employee's participation is within the scope of his official responsibilities, he or she must disclose the nature and extent of his interest in writing.

Unless a municipal charter or home rule ordinance permits it, the bill prohibits a municipal or district employee who also serves as a public official from voting or participating in collective bargaining, compensation or benefits, personnel policies and procedures, or budgetary matters or other employment matters that involve his agency.

The bill also prohibits public officials and employees from appearing on behalf of private interests before, or representing private interests against, any municipal or special district board, agency, or

committee. The prohibition does not apply to an official who receives no compensation other than per diem payments. The bill specifies that it does not prohibit or restrict a public official or employee from appearing before any municipal or special district board or commission on his own behalf or from being a party in an action, proceeding, or litigation brought by or against the official or employee to which the municipality or special district is a party.

Paid Consultants (§ 4)

The bill prohibits a paid consultant of a municipality or special district from:

1. representing a private interest in any action or proceeding against the interest of the municipality or special district that is in conflict with the consultant's performance of his duties;
2. representing anyone, other than the municipality or special district, in any matter in which the consultant participated personally and substantially on behalf of the municipality or special district; or
3. disclosing confidential information gained in his capacity as consultant or using it for his financial interest or that of others.

Former Officials and Employees (§ 5)

The bill prohibits former public officials or employees from:

1. accepting compensation to appear before their former municipal or special district board or agency for the first year after terminating employment or office;
2. representing anyone, other than the municipality or special district, in any matter in which they participated personally and substantially while in municipal service;
3. disclosing or using confidential information gained in their official position for their own financial gain or that of others; or

4. working for a party to a contract, other than the municipality or special district, for one year after the contract is signed, if they participated substantially in, or supervised, the contract negotiations or award and the contract obligates the municipality or special district to pay \$100,000 or more.

Investigating and Deliberating Ethics Complaints (§§ 6 & 11)

By law, a municipality or special district can establish a board or commission to investigate allegations against a local public official or employee of unethical conduct, corrupting influence, or illegal activity.

The bill eliminates this authority on December 1, 2008. Beginning on that date, the bill makes the OSE responsible for investigating and reviewing ethical complaints for municipalities and districts that did not establish an enforcement agency. By that date, any municipality or district that previously established an enforcement agency, may, by a majority vote of its legislative body choose to have OSE investigate and review their complaints.

The bill also permits any person aggrieved by a decision of a local ethics board, commission, council, committee or other agency to file an appeal with OSE. It requires the OSE to conduct any investigation and review in the same way that it does complaints against state public officials and employees. However, OSE may refuse to investigate or review any matter that fails to adequately allege an ethics violation as provided in the bill.

Under the bill, a person cannot be a member of a municipal or district ethics commission or agency established between July 1, 2007 and December 1, 2008 if he or she: (1) holds or campaigns for any public office; (2) during the two years preceding the appointment, held public office or was a candidate for such office; (3) holds office in any political party or political committee; (4) is a member of any other agency in the municipality or district; or (5) established the ethics commission or agency when he or she was an official or employee of the municipality, district, or quasi-public agency of the government

entity.

Substantial Conflict of Interest (§ 11)

By law, a municipal or district official or employee commits an ethical violation when the official or employee takes official action on a matter in which he or she has a substantial conflict of interest. “Substantial conflict” has the same meaning at the local and state level. An official or employee has a “substantial conflict” if he or she has reason to think he or she, his or her spouse or dependent child, or a business with which he or she is associated will experience a direct financial gain or loss if he or she takes the action. If his (or their) gain or loss would be no greater than the gain or loss to others in his or her (or their) profession, occupation, or group, it is not a substantial conflict.

The bill eliminates the definition as it applies to local officials and employees but leaves it in place for state officials and employees. Thus beginning July 1, 2007, municipal and district officials and employees can have a “substantial conflict” only in municipalities and districts that have that provision in their ethics codes.

Statements of Financial Interests (§ 7)

By January 1, 2008, the bill requires municipalities and districts that do not require their public officials and employees to make financial disclosures to establish a disclosure policy. The policy must list the offices or positions for which disclosure is mandatory and set forth the manner and scope of the disclosure.

Compliance Report (§ 8)

By April 1, 2008, the bill requires each municipality and district to submit an ethics compliance report to the OSE. By June 15, 2008, the office must submit a compliance status report to the Government Administration and Elections Committee. The report must (1) indicate the status of each municipality’s and district’s compliance with the bill and (2) make recommendations for securing compliance by all municipalities and districts.

MUNICIPAL LOBBYING CODE

The bill places essentially the same requirements, bans, and limitations on municipal lobbyists that currently apply to state lobbyists.

Lobbyists and Lobbying (§ 12)

Under the bill, a municipal “lobbyist” is a person who receives, spends, or receives and spends (or agrees to receive, spend, or both) at least \$2,000 in a calendar year to influence legislative or administrative action in a single municipality. In addition to the exceptions under the state code, the bill provides that a “lobbyist” does not include:

1. a municipal official or employee or designee, other than an independent contractor, acting within the scope of his or her authority or employment, or
2. a financial advisor or attorney, including bond counsel or a municipal attorney, hired by a municipality to provide it with financial advisory or legal services, respectively.

The bill also excepts from lobbying, communications made in the practice of law (1) that are not intended to influence legislative action, or cause the development of or changes to any ordinance, referendum, or budget; (2) with municipal agencies or legislative bodies about planning or zoning or inland wetlands decisions; or (3) with the legislative body of the municipality concerning legislative action or the proposal, drafting, development, consideration, amendment, adoption or repeal of any rule, regulation, ordinance, referendum or budget, regarding a land use matter before the agency or legislative body.

“Legislative action” is any official action taken regarding any rule; regulation; ordinance; referendum; budget; measure; resolution; amendment; nomination; appointment; report; or other matter pending or proposed in, or within the cognizance of, a municipal legislative body. “Administrative action” is any action or inaction by a municipal agency regarding the proposal, drafting, development,

consideration, amendment, adoption, or repeal of any rule, regulation, ordinance, referendum, or budget or utility rate. It also includes any action or inaction regarding a contract, grant, award, purchasing agreement, loan, bond, certificate, license, permit, or other matter within the agency's jurisdiction or cognizance.

Registration (§§ 16 & 17)

Under the bill, municipal lobbyists, like their state counterparts, must register with OSE. Unlike state lobbyists who register biennially, the bill requires municipal lobbyists to register annually. With one exception, it requires municipal lobbyists to file a separate registration for each town they lobby. Lobbyists for regional or statewide trade associations have to file only one registration and pay one registration fee per year. The bill requires municipal lobbyists to pay an annual fee of at least \$25 to cover the cost of administering the registration form and distributing filed registration information.

By law, state lobbyists pay \$150 biennially to lobby.

Filing Financial Reports (§ 18)

The bill requires municipal client lobbyists to file quarterly financial reports in April, July, October, and January. By law, state client lobbyists file these reports in April, July, and January. State lobbyists file interim reports during the regular legislative session for each month that they spend more than \$100 on lobbying. A "client lobbyist" is an entity that pays someone \$2,000 or more in a calendar year to lobby.

Like their state counterparts, municipal lobbyists do not have to report the cost of food and drinks that communicator (individual) lobbyists provided to municipal officials or members of their staff or immediate family at a major life event that the lobbyists hosted. A "major life event" generally means the birth or adoption of a child, a wedding, bar mitzvah, or funeral.

The reporting period for communicator lobbyists is the same as it is under the State Ethics Code, primarily in January.

Prohibited Activities (§§ 23 & 27)

Like state lobbyists, the bill subjects municipal lobbyists to restrictions on their lobbying activities that include a ban on gift-giving and contingency lobbying. It requires them to wear badges when lobbying.

Complaints, Investigations, and Penalties (§§ 14-15, 25-26)

The bill requires the OSE to investigate and hear complaints against municipal lobbyists and impose penalties for code violations just as it currently does with respect to state lobbyists. There are three differences between the state and municipal codes. First, the deadline for filing a complaint under the municipal code is within three years after the violation whereas the deadline under the state code is five years after. Second, the maximum civil penalty under the bill for municipal lobbyists (\$2,000) is lower than that for state lobbyists (\$10,000). Third, there is no separate penalty under the municipal code for receiving a financial benefit from the violation.

OSE must adopt regulations to carry out the bill. The commission already has regulations governing state lobbyists.

BACKGROUND***Political Activities by Municipal Employees***

Classified municipal employees are prohibited from engaging in political activities while on duty or during any time he or she is expected to perform services for which he or she receives compensation from the municipality. The penalty for willful or culpable negligent violations is a fine of one month to two year's salary if an office or position is directly affected. If no office or position is directly affected, the penalty is a fine of \$50 to \$1,000, up to six months in prison, or both (CGS §§ 7-421 and -424).

OSE Investigation and Review Process

OSE's enforcement staff investigates allegations of ethics violations. Complaints and investigations conducted prior to a finding of probable cause are confidential.

The staff may conduct hearings, subpoena witness, and examine them. The staff presents their findings to a judge trial referee, who determines if there is probable cause to believe a violation was committed.

If probable cause is found, the Citizens' Ethics Advisory Board initiates a hearing to determine if there has been a violation. A trial judge referee, but not the one who found probable cause, presides over the hearing. If the board finds a violation, it can impose penalties. If it determines that a violation constitutes a criminal it, it can refer the matter to the chief state's attorney.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 10 Nay 3 (03/30/2007)